



## CITY OF LEANDER CAPITAL IMPROVEMENT PROGRAM

PROJECT ID:	
PROJECT TITLE	Recreation Center
DEPARTMENT(S)	Parks & Recreation
PROJECT DESCRIPTION:	The project involves the design and construction of a recreation center. The location is unknown, but one option is for the City to acquire land for the center and another option is for the center to be located in the TOD on the ACC campus. A feasibility study is currently underway to determine the size, cost and whether there will be an aquatics element. Please note that the \$27 million cost is only a place holder until the feasibility study is complete.

Location	To be determined		
Limits From/To:			
Schedule	Start	End	
Design Phase	Sep-17	Mar-18	
ROW/Esmt Acq.			
Construction	Jun-18	Jun-19	

### PROJECT NEED/BENEFITS

A community center is the number one indoor recreation need identified in the City Parks, Recreation & Open Space Master Plan. Discussions are underway for possible partnerships between the YMCA, Austin Community College and he City.

PROJECT COSTS	Prior	FY16	FY17	FY18	FY19	FY20	Total
Design Phase							
Construction				\$ 18,000,000			\$ 18,000,000
Management							
Inspection/Testing							
Contingencies							
Other							
Total Estimated Cost				\$ 18,000,000			\$ 18,000,000
Annual O&M Fiscal Impact							

PROJECT BUDGET	Prior	FY16	FY17	FY18	FY19	FY20	Total
REVENUE							
Account No.	Fund						
Total Revenues							
EXPENDITURE							
Total Expenditures							

Note: CIP dollars adjusted for inflation

# Partnership Possibilities

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## **Leander Recreational Facility**

**January 26, 2016**

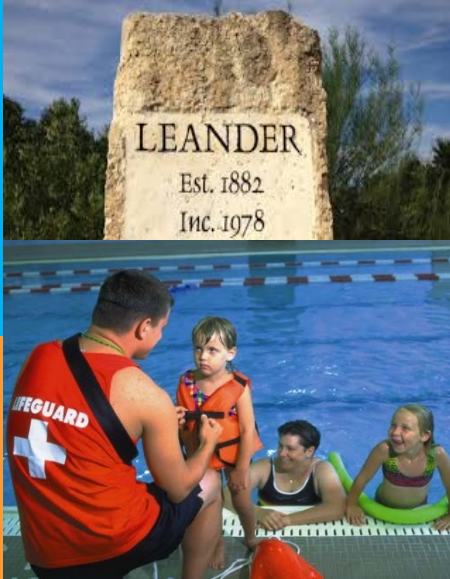




**On a regular basis, I get the following  
phone call...**

**“I was recently visiting one of the  
communities that your YMCA  
serves and saw your *AMAZING*  
facility! How can I get one of those  
where I live?”**

Today, over 60% of the  
YMCA's built in the  
Country are  
accomplished through a  
partnership with a  
municipality, hospital,  
school district,  
developer...often times  
multiple entities  
collaborate.



City of  
Leander



**In those communities where leadership is committed to “doing more good together for less”...you will find municipalities, YMCAs and school districts partner to maximize community impact...while ensuring the best stewardship of the taxpayer and donated resources.**





**The YMCA of Greater Williamson County, as well as, a few other Associations are considered the benchmark for partnership models. Let's take a look at a few...**



**Hutto, Texas**





Burnet, Texas



# Tacoma, Washington - University Y Student Center



# Boise, Idaho - YMCA/Library/Elementary School City Park/Health Care Center



# Waterloo, Ontario - YMCA/Library





# San Antonio, Texas – YMCA/Library/Senior Housing







MITCH PARK YMCA

Edmond, Oklahoma





**Edmond, Oklahoma**





**Kansas City**



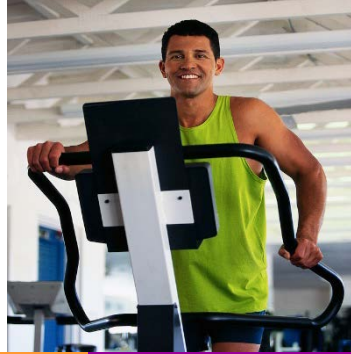


**CHASCO Family YMCA (Round Rock, TX)**





**Twin Lakes Family YMCA (Cedar Park, TX)**



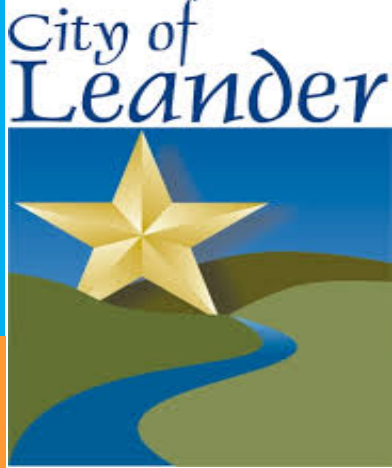
So, what makes a municipality consider a partnership?  
Typically, it is a couple of things...

Sticker shock...the cost of building and operating it on  
their own

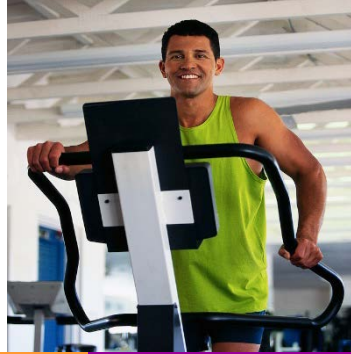
The desire to shift ongoing operating cost & liability to a  
third party

The desire to have a YMCA in their community





**About 4 months ago,  
the City of Leander,  
YMCA of Greater  
Williamson County,  
Austin Community  
College and Leander  
ISD began discussions  
surrounding a  
partnership approach  
to bringing a YMCA to  
Leander.**

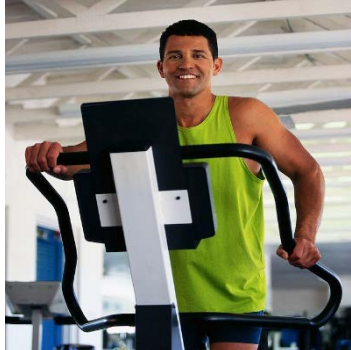


## Common questions related to YMCA/Municipality Partnerships

Isn't the YMCA a membership organization...can anyone utilize a municipal facility that is operated by the YMCA?

*Yes, the term “member” is synonymous with “annual user” which is the terminology typically utilized in a municipal recreation center. Community members can choose to pay an annual or a day pass fee.*

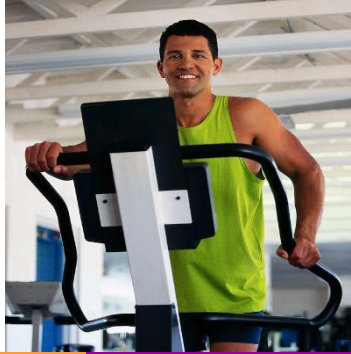




## Common questions related to YMCA/Municipality Partnerships

Does the YMCAs Christian heritage restrict admission to the facility?

*The YMCA is a 501(c)3 social service charity which focuses on healthy living, youth development and social responsibility and does NOT discriminate against gender, race or religion.*

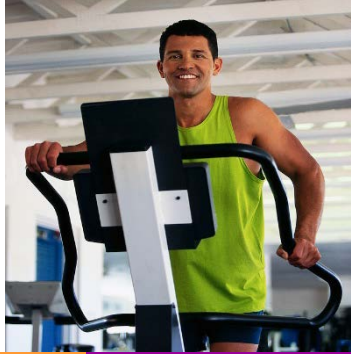


## Common questions related to YMCA/Municipality Partnerships

Will taxpayers tolerate “YMCA utilization pricing” if they underwrite facility construction through property taxes?

*Studies have found that while taxpayers may expect below market pricing from a municipality...there is little or no resistance paying appropriate rates to a non-profit organization for quality services.*

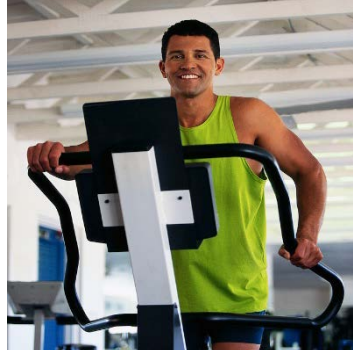
*The YMCA turns no one away due to the inability to pay.*



## Common questions related to YMCA/Municipality Partnerships

Can a partnership with the YMCA save our taxpayers money?

- *Without a partnership, taxpayers pay to construct, operate & maintain municipal recreational facilities.*
- *The use of property taxes can ensure recapturing the cost of capital construction*
- *The average municipal recreation center only recovers 50% of the annual operating costs*
- *Long term maintenance & un-recovered operating costs burden the general fund*
  - *Often YMCA partnership can help defray the burden to the municipalities general fund*

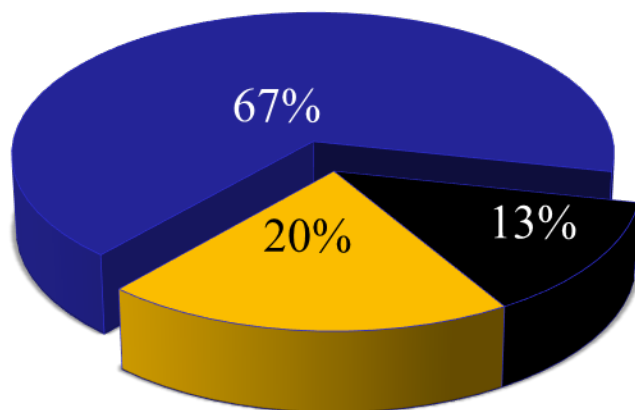


## National Partnership Survey Results

### Primary Partner

### Classification

■ City    ■ County    ■ Other\*



75%

67%

33%

33%

33%

29%

25%

**Operation of a New Facility**

**Operation of an Aquatics Complex**

**Operation of a Park Program**

Co-funding of a Significant Program

Joint Operation of Significant Program

Operation of an Existing Facility

Operation of a Senior Center



Suppose “Anytown, USA” is considering building a recreation center on its own...and operating it for 20 years

It is realistic to assume...



**Facility  
Capital**  
(construction)  
**\$20M**



**Operating Subsidy**  
(\$1M annually...average  
re-capture rate)  
**\$20M**

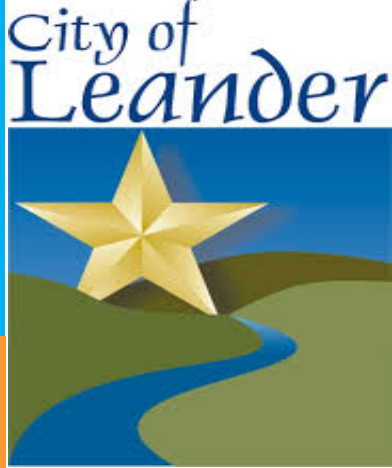


**Capital  
Equipment**  
(and ongoing equipment  
investment)  
**\$2.3M**



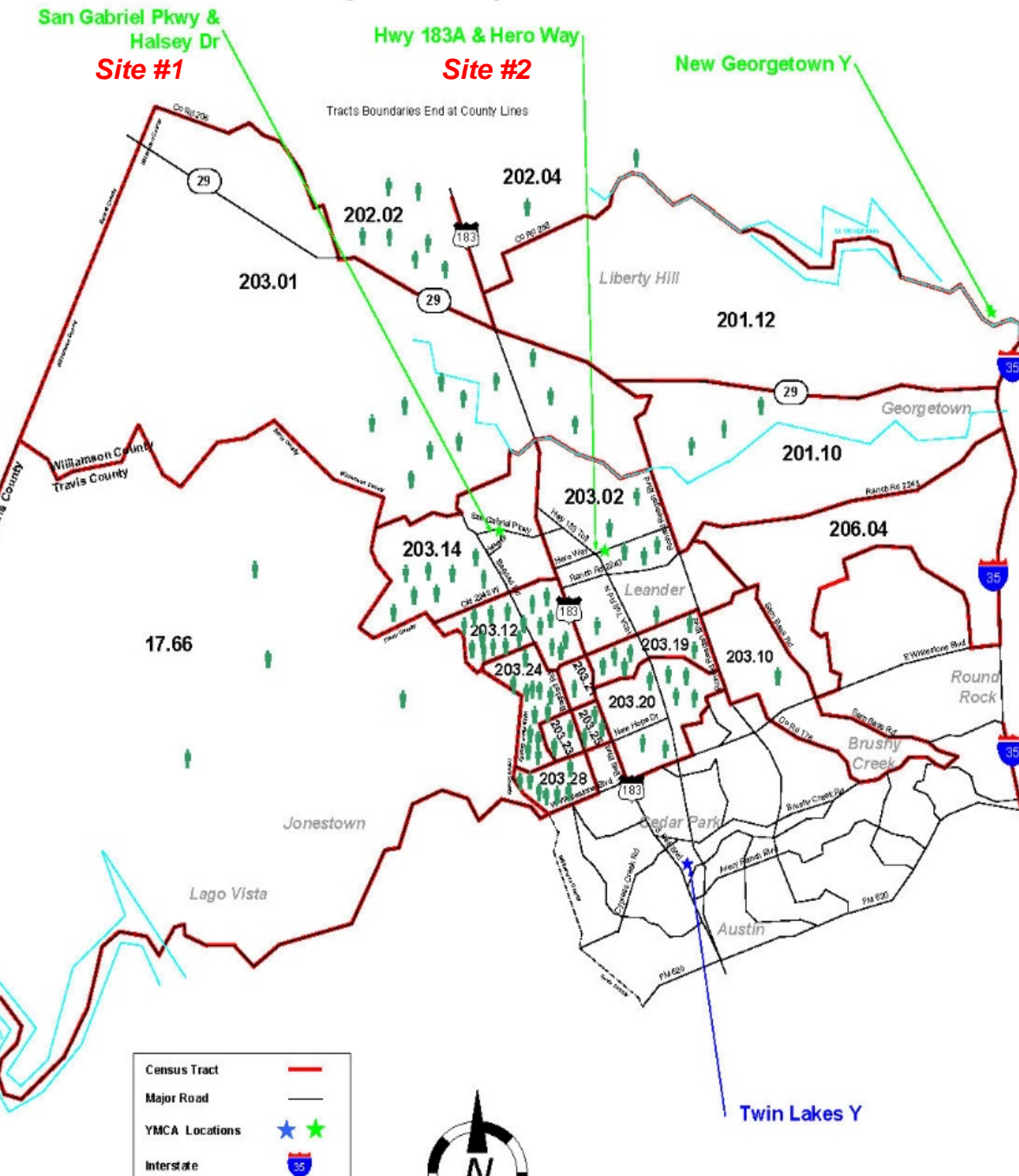
**Capital  
Maintenance**  
(\$100K  
annually)  
**\$2M**

**\$44.3M**



**How could the  
YMCA help to  
offset these costs?  
Let's see what the  
Leander market  
research told  
us...**

# Census Tract Map of Prospective Members



600 phone calls

200 to existing Twin  
Lakes members

Key Questions:

Would you join?

Would you transfer?

What would the facility  
need to have in it?

What would you pay?

Which site do you  
prefer?



## Census Tract Map of Prospective Members

San Gabriel Pkwy &  
Halsey Dr

Hwy 183A &amp; Hero Way

### New Georgetown Y

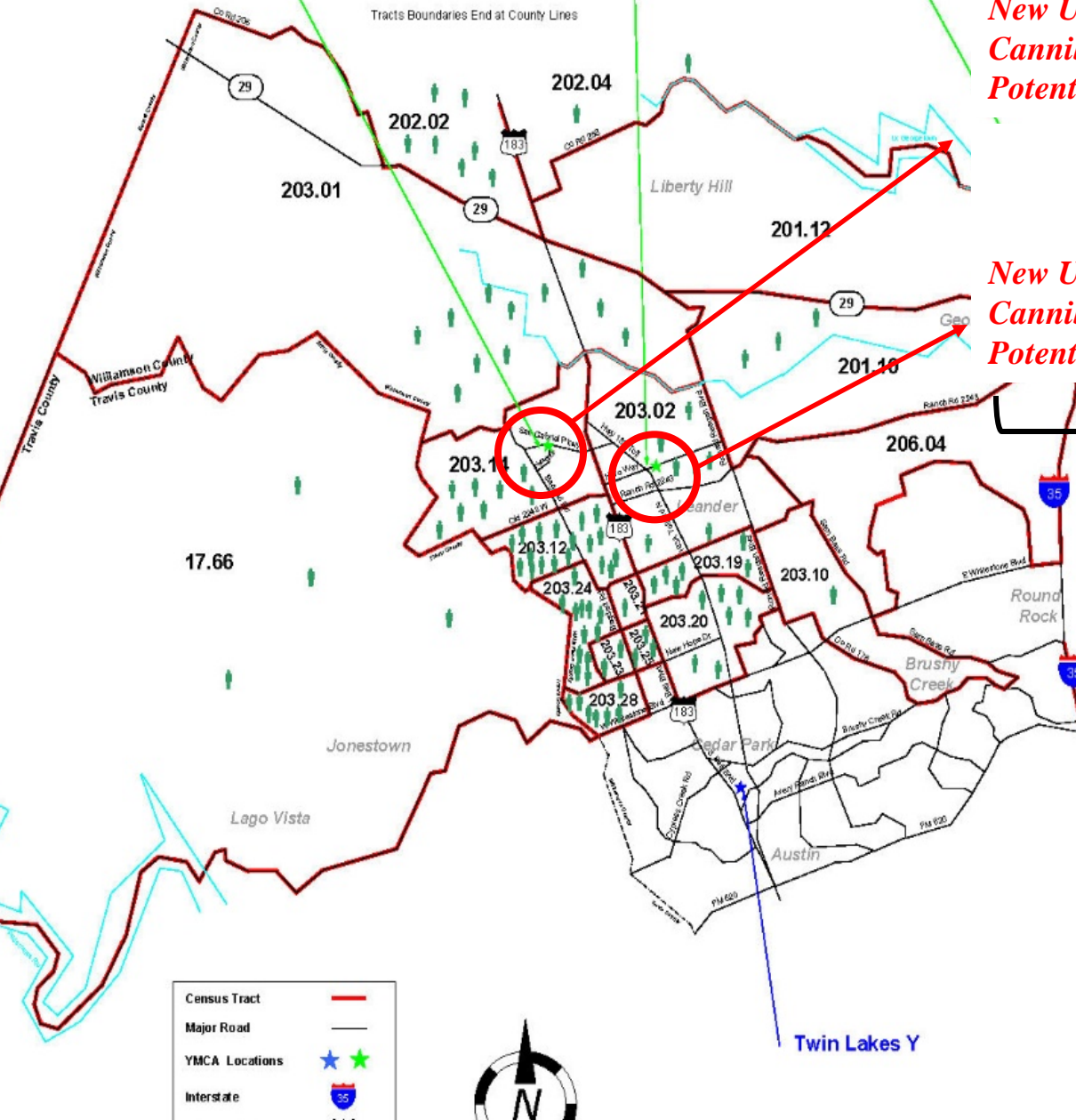
**Site #1**  
*(near new high school)*

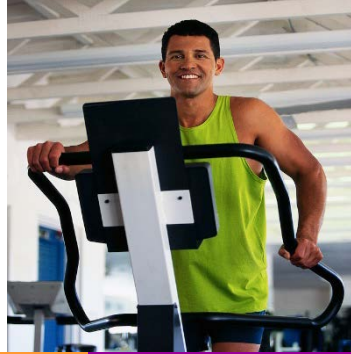
<i>New Units Achievable</i>	<i>3,290</i>
<i>Cannibalized units from TL</i>	<i>263</i>
<i>Potential New Membership Revenue</i>	<i>\$1,867,155</i>

## Site #2 (ACC)

<i>New Units Achievable</i>	2,832
<i>Cannibalized units from TL</i>	888
<i>Potential New Membership Revenue</i>	\$1,607,171

Blended New Units  
(*regardless of site*)  
3,000 units  
\$1,700,000

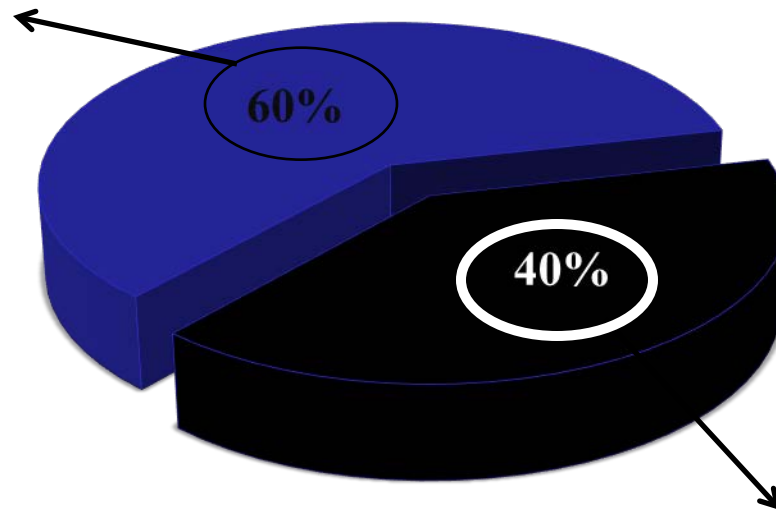




The typical YMCA operates with a 60/40 revenue mix.

■ Membership   ■ Childcare and Other

Member related  
services



All other programs not  
related to membership

## Projected Leander YMCA Operating Proforma (based on 4 Square Research)

### *Projected Income*

Category	Explanation	Amount
New Membership Revenue	Blended new unit count (site 1&2) 3,000 units	\$1,700,000
Program Revenue (at maturity)	40% of Total Revenue (at maturity)	\$1,113,000
	<b><i>Total Projected Revenue at Maturity</i></b>	<b><i>\$2,813,000</i></b>

### *YMCA-GWC Expense Ratios*

Category	5 Year Ramp Up Period	At Maturity
Salaries	34%	32%
Benefits	8%	7%
Other Expenses	44%	40%
Association Support	11.2%	11.2%
Association Reserves	3.7%	3.7%
Contingency	2%	2%
<b><i>Total Expense Ratio</i></b>	<b><i>104%</i></b>	<b><i>97%</i></b>
<b><i>Available for Partnership Contribution</i></b>	<b><i>(4% \$112,500) Annually x 5 years = \$562,000</i></b>	<b><i>3% \$84,390 Annually</i></b>



# Demonstrating the Partnership Value Proposition



**Facility  
Capital**  
(construction)  
**\$20M**



**Operating Subsidy**  
(\$1M annually)  
~~\$20M~~  
\$562,000 considers  
5 year “ramp up”  
to maturity



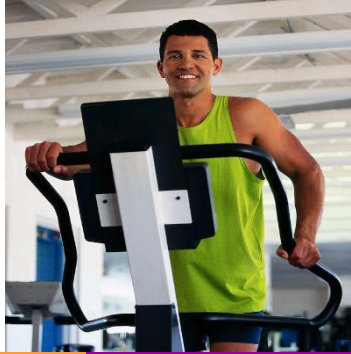
**Capital Equipment**  
(and ongoing equipment  
investment)  
~~\$2.3M~~  
\$1M YMCA Fundraising  
\$1.3 use of \$84K surplus



**Capital  
Maintenance**  
\$2M  
(\$100K annually)

**\$22,562,000**

Compared to \$44,300,000 (2 to 1 Community Partner Match!)



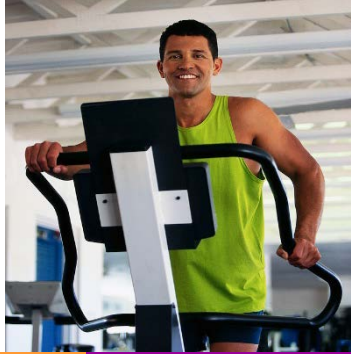
## Unique Study Findings

There is a great deal of interest (12.7%) of all households expressed a interest...compared to the national average of 4.5%

A full facility YMCA including warm water pool and gymnasium is required to meet the 12.7% penetration rate

The two locations studied had significant impact on Twin Lakes Family YMCA transfers. The site near the new high school resulted in less cannibalization

Low price sensitivity was referenced



## In Summary

Preliminary market research combined with a YMCA of Greater Williamson County/City of Leander partnership ***approach*** to a recreational facility would result in:

\$21,738,000 of taxpayer savings over 20 year operating agreement

YMCA underwriting cost of ALL operations (after first 5 years)

YMCA underwriting cost of ALL FF&E (furniture, fixtures & equipment)  
\$2.3M over the term

YMCA underwriting ALL scholarship participants through annual fundraising anticipated to be \$50K-\$100K per year



# Partnership Possibilities

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**QUESTIONS?**

